GIANT

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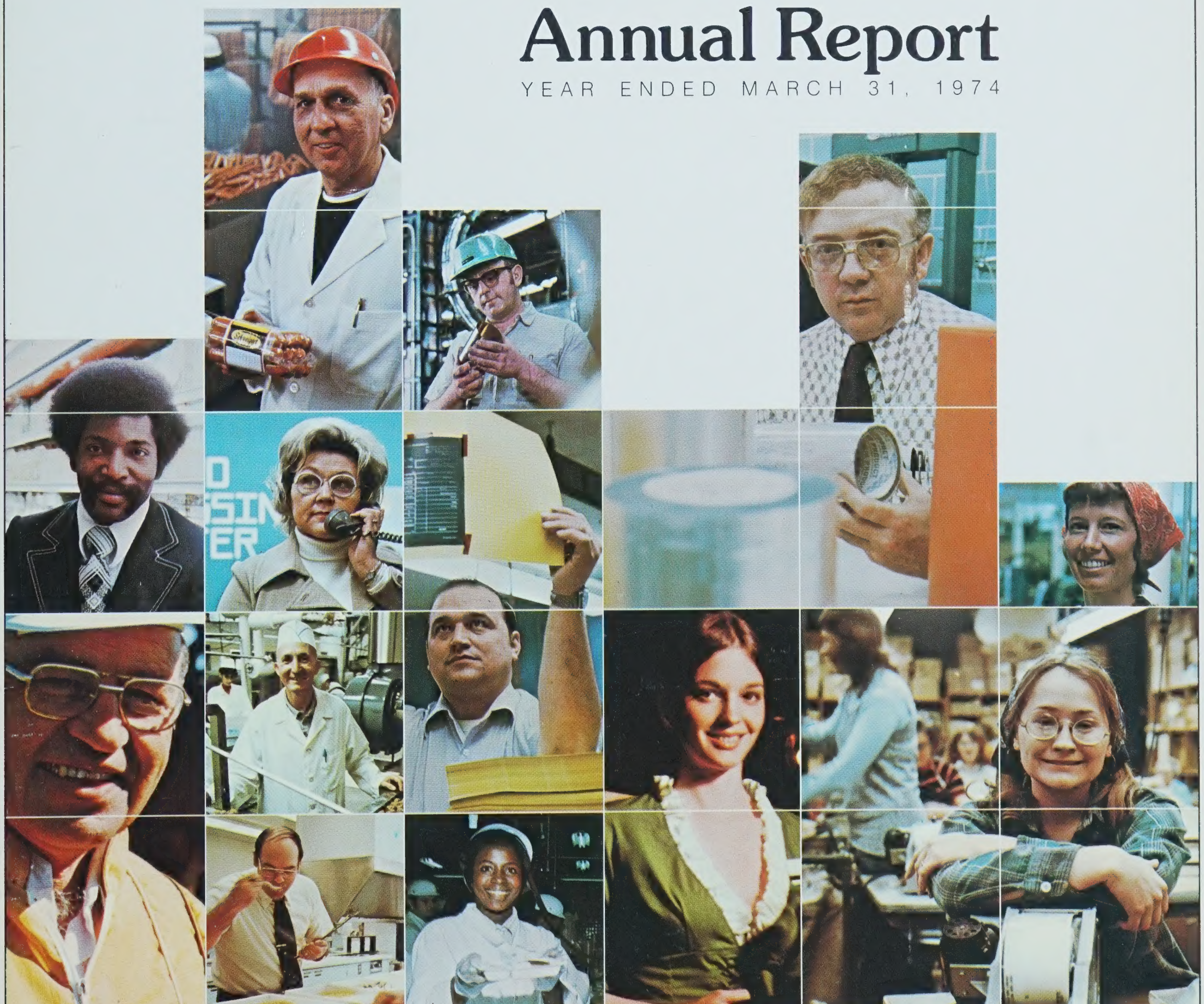

Annual Report

YEAR ENDED MARCH 31, 1974

Scope of Business

Green Giant Company is a processor and marketer of food products, including canned and frozen vegetables and processed and frozen meats. The Company also operates restaurants and other food service establishments.

Annual Meeting Notice

The annual meeting of shareowners will be held at 10 a.m., local time, on Friday, July 19, 1974, in the Radisson South Hotel, 7800 Normandale Blvd. (intersection Hwys. 494 and 100), Bloomington, Minn. A formal notice of the meeting is being mailed to shareowners of record with the proxy statement and proxy.

Common and Series D Preference Shares

Listed on the New York Stock Exchange. Trading symbol: GG.

Transfer Agent, Registrar and Dividend Reinvestment Agent

First National Bank of Minneapolis ■ 120 South Sixth St. ■ Minneapolis, Minn. 55402 ■ 612-370-4606

Shareowner Inquiries

Financial statements of Green Giant Company and copies of Form 10K, which is our "annual report" to the Securities and Exchange Commission, are available upon request. Please write Green Giant Company, Le Sueur, Minn. 56058 612-665-3515.

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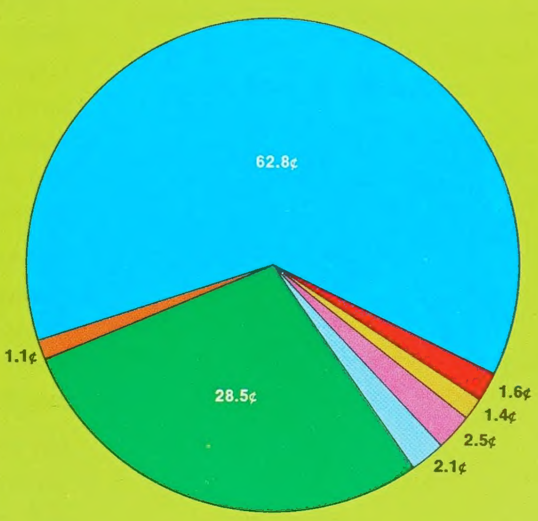
The men and women whose photographs appear on the outside and inside of this year's annual report are some of the more than 6,300 full time and 33,000 seasonal employees who have helped make fiscal year 1974 the best in your Company's 71-year history.

The Year at a Glance

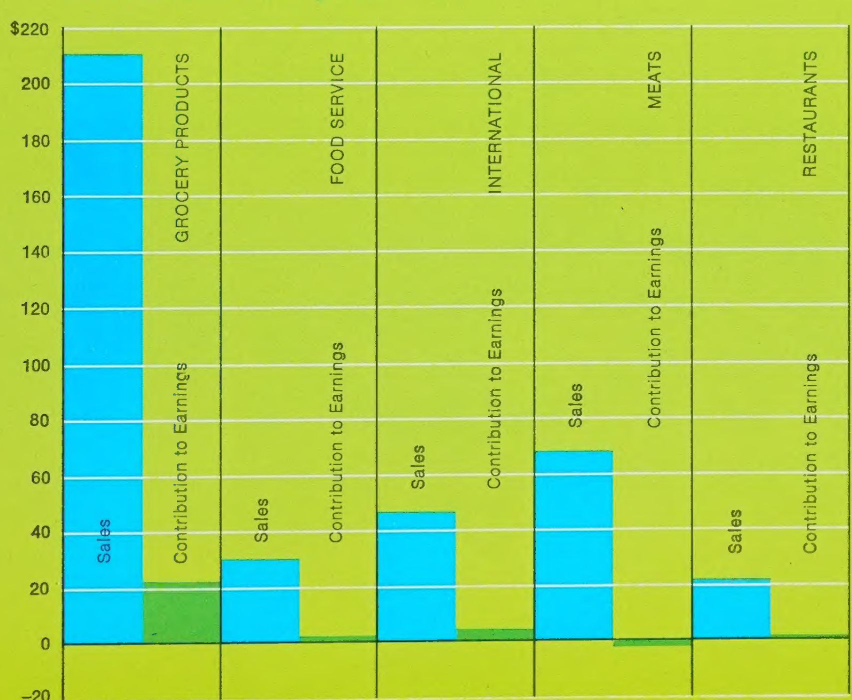
Dollar Totals in Thousands, Except Per Share	March 31, 1974	March 31, 1973
Net Sales	$ 383,644	$ 341,808
Earnings Before Income Taxes	18,953	15,025
Net Earnings	9,558	7,695
Depreciation	7,353	7,270
Dividends Paid	4,037	3,915
Capital Expenditures	13,199	10,701
Working Capital	83,548	76,195
Total Capital Employed	155,966	147,072
Common Shareowners' Equity	77,496	71,745
Common Shareowners' Equity Per Share	25.19	23.76
Earnings Per Share of Common Stock and Common Stock Equivalents	2.74	2.19
Dividends Per Common Share	1.02	1.00
Number of Common Shareowners	9,044	8,834
Average Number of Shares of Common and Common Stock Equivalents Outstanding	3,201,205	3,148,753



Where the Sales Dollar Goes

62.8¢ Raw products, supplies and services
1.6¢ Interest
1.4¢ Retained earnings
2.5¢ Taxes
2.1¢ Depreciation and amortization
28.5¢ Payroll and benefits
1.1¢ Dividends

1974 Performance by Division



	1974	% of Total	1973	% of Total
Grocery Products				
Sales	$210,129,000	54.8	$189,950,000	55.6
Contribution to Earnings*	$ 21,387,000	81.0	$ 18,248,000	86.1
Food Service				
Sales	$ 31,040,000	8.1	$ 26,827,000	7.8
Contribution to Earnings*	$ 1,140,000	4.3	$ 1,576,000	7.4
International				
Sales	$ 47,702,000	12.4	$ 39,835,000	11.7
Contribution to Earnings*	$ 4,002,000	15.2	$ 3,486,000	16.5
Meats				
Sales	$ 68,853,000	17.9	$ 57,917,000	16.9
Contribution to Earnings*	$ (336,000)	(1.3)	$ (2,608,000)	(12.3)
Restaurants				
Sales	$ 22,627,000	5.9	$ 24,692,000	7.2
Contribution to Earnings*	$ 701,000	2.7	$ 960,000	4.5

*Before income taxes and before deduction of interest and lease finance charges.

Note: Performance of the discontinued Home and Garden Centers Division is not portrayed.

To Shareowners and Employees:

Although fiscal 1974 was one of the most unusual and difficult years in Green Giant's 71-year history, we are again pleased to report having met our overriding growth objectives of improving return on equity and maintaining our net sales growth rate.

Net earnings rose 24 percent on a sales increase of 12 percent. Earnings per share improved to $2.74. Net sales were $383.6 million and net income was $9.6 million. Both are records.

On the basis of this improvement, the Board of Directors last year increased the quarterly dividend on common stock, to 27 cents from 25 cents per share. This was the seventh increase in quarterly dividends in the last 10 years.

The overall performance by your Company is satisfying in light of the challenges which confronted us throughout the year, including product shortages, Federal price controls and shipping problems caused by the truckers' work stoppage.

Domestic grocery products turned in a rewarding year, with a record performance in sales and contribution to earnings, as well as market-share gains in all major product categories. To support our frozen foods business, a new film lamination system for boil-in-pouch packaging was added to container operations in Savage, Minn.

Our processed meats business, through investments in facilities and management changes, showed considerable improvement from a substantial loss last year.

Your company took steps to hasten its international operations growth rate by the completion of two agreements designed to supply future needs of European and Far East markets. The marketing organization was expanded in Great Britain.

Improvements in our Restaurant Division were made at several locations during the year, and plans call for further enlargement of operations at a manageable rate.

Other highlights include a 30-percent expansion of food service production capacity in Miami; accommodation of container requirements of our Canadian operations following the loss by fire of our container facility in Ontario last autumn; and the disposition of the Home and Garden Centers.

The sales of garden center operations, along with facility consolidation in the Restaurant Division, combined to free capital for the financing of more promising activities.

Our basic business outlook is sound. With the removal of price and wage restraints, we expect gradual stabilization to have a steadying effect on the economy and on our industry. Mitigating factors could include the mid-range supply of energy and increasing interest rates. During the last year, for example, our interest costs rose 37 percent.

Looking ahead, we are a company in the business of feeding people; looking chiefly to line extension, synergistic acquisitions and broadening of existing markets for our growth opportunities.

To help ensure that our performance draws the recognition it merits from the financial community, we will further intensify our program of broad public disclosure of Company progress.

We believe the principal reason for the results is the strength of our organization. Appropriately, this year's annual report is dedicated to the people who are responsible, our employees. We sincerely appreciate their loyalty and efforts.

Sincerely,

Robert C. Cosgrove
Chairman of the Board

C. J. Tempas
President

It is with regret and sincere appreciation that I note the retirement of Mr. Lloyd C. Volling as Vice Chairman of the Company on December 31, 1973, at the mandatory age of 65, and the resignation of Mr. C. J. Tempas as President at the close of fiscal 1974 to more actively pursue his personal interests. He continues as Vice Chairman of the Board. All of us are indebted to both gentlemen for their 76 years of combined service to Green Giant, and for personal sacrifices too numerous to mention. Our success today reflects their accomplishments, and we heartily wish them well.

Overlooking the Valley of the Jolly Green Giant ■ Robert C. Cosgrove ■ C. J. Tempas

Green Giant People and Progress

The accomplishments and objectives of Green Giant Company in fiscal 1974 are reported on the following pages. So, too, are the comments and observations of a number of men and women who represent the diverse backgrounds and pursuits of their thousands of fellow Green Giant employees.

Grocery Products Division

Highlights

Pacing another year of solid improvement in the Company's total results, the Grocery Products Division distinguished itself with increases in sales and contribution to earnings of 11 percent and 17 percent respectively. Sales for the year totaled $210.1 million and earnings before taxes and interest were $21.4 million.

Overriding factors in this success were the sustained momentum of Green Giant's market penetration, resulting in new highs in market share for every major product category; and the growing strength of the food industry in general.

Further, industry supply conditions in major vegetable categories were the firmest in years and enabled the division to enjoy additional success with recently introduced advertising and promotional strategies, such as the Little Green Sprout. For example, distribution of a Sprout doll, introduced as a premium last year, currently exceeds 300,000.

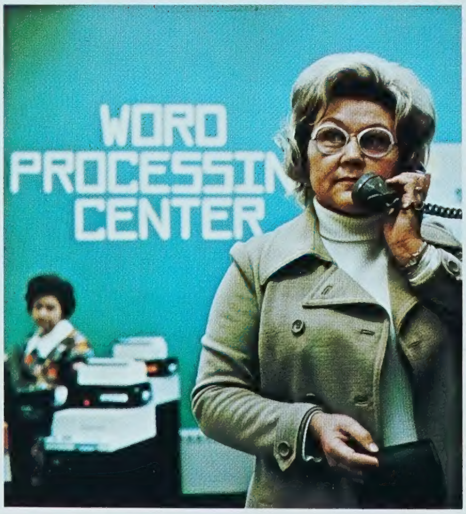
Exceptional growth in sales of frozen corn on the cob and in sales and distribution of our Holloway House items enhanced the accomplishments of established product groups, while line

Below: *Dick Kliefoth, Line Adjuster, Savage, Minn., can manufacturing plant, "What I like best here are the people I work with."*

Below: *Ken Cornelius, Department Manager at Schweigert Meat Company. Behind him, part of the new production line that makes 60,000 wieners an hour.*

Below: *Alfred Benitez (left), Personnel Manager — Don's Prize Foods Operations, and George Mesa, Don's Prize Foods Plant Manager, Miami. Says Mesa: "When we learned that Green Giant was going to acquire Don's Prize, we didn't know exactly what to expect. But Green Giant said, 'We're acquiring a group of people, not just a business.' And that's the way it has really turned out."*

Bottom center: *Jan Monahan, seven years with Green Giant, supervises the Company's Word Processing Center, where letters, memoranda and messages are received by telephone, on tapes and dictabelt, and handwritten. Here, they're professionally typed for consistent appearance and style.*



extension of Rice Originals and introduction of potato casserole products created new consumer interest for the entire Green Giant product offering.

"It's important to continue looking for ways to make the food industry exciting, both for consumers and our employees," says Lyle H. Polsfuss, President and General Manager of the division. "Housewives are always looking for something new to serve their families, and an atmosphere of excitement within the Company helps make our people feel significant. That's crucial, because the day is gone when people will work for money alone."

Container and Distribution Activities

The year completed marked the first full year of operations for the distribution center at Denton, Tex., one of the division's seven distribution facilities for canned products.

To meet increased packaging demands of our growing frozen foods business, which now accounts for approximately one-third of Grocery Products volume, a new film laminator at our container facility in Savage, Minn., became fully operational. The new system supplies much of the laminated film used by the division.

We have been assured of receiving adequate supplies of tinplate in the months ahead. The timely delivery of other materials will require effective inventory controls.

General Outlook

The division foresees opportunities for excellent sales and earnings growth in fiscal 1975. Nevertheless, we are mindful of several considerations, including increased operating costs, higher prices and the possibility of supply difficulties.

Below: *Tom Thornton, Packaging Supervisor, Grocery Products Division plant at Montgomery, Minn.*

Right: *Roscoe Bogan, District Sales Manager, Grocery Products Division. "No matter where you are, there are people who are prejudiced to a degree. It makes my job even more challenging."*

Restaurant Division

Highlights

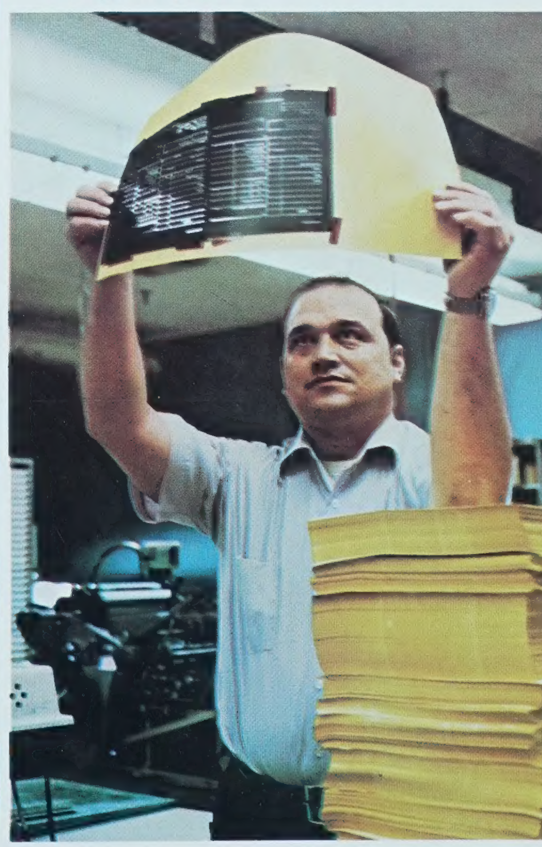
Contribution to earnings from the Restaurant Division was $701,000 on sales of $22.6 million.

"The adjustments necessary for accelerated growth in operations and earnings have been made," observes Jerome R. Sebastian, President, "and our experienced management team is undertaking an orderly program designed to capitalize on the opportunities we have identified in the rapidly changing away-from-home eating market. The strength of our current operations and the strong consumer acceptance of the Henrici's name provide us with excellent long-term opportunities."

Facility Changes

Major facility changes and additions completed during the past year will contribute significantly to 1975 results.

Below: *Elroy Winter, Print Shop Foreman, Office Services Department, approves negative before making press plates.*



Below: *Les Stanek, Field Supervisor, Montgomery, Minn., plant, Grocery Products Division.*

■ The total number of Henrici's Steak and Lobster restaurants was increased from three to six with the completion of a new restaurant on Chicago's Near North Side and the conversion to the Henrici's Steak and Lobster concept of two existing restaurants in the Chicago suburb of Niles, Ill., and the Minneapolis suburb of Bloomington, Minn.

■ A major expansion of the division's largest facility at Chicago's O'Hare Inn was completed, including the opening of the new Hard Times Cafe, the L'Omelette Coffee Shop and a large rooftop banquet facility.

■ The Henrici's restaurant in the Montbello, Colo., Hilton Inn near Denver was remodeled and banquet facilities were enlarged.

■ Four cafeteria facilities were remodeled.

Expansion Plans

Present expansion plans build on the division's success in limited-menu restaurants, hotel and motel feeding and cafeterias.

■ Two Henrici's Steak and Lobster restaurants will be constructed in the Philadelphia and St. Louis markets, bringing the total number of these facilities to eight.

■ A new hotel feeding facility will be opened in a Hilton Inn adjacent to the Purdue University campus in West Lafayette, Ind.

Below: *Mario Aguerrebere, Plant Manager, Don's Prize Foods, Miami, came to Miami from Cuba in 1962. "With a well-known company like Green Giant, we have a future. That's important." He checks production of frozen meat balls for food service markets.*

■ A new concept offering a limited sandwich menu at popular prices in high-traffic downtown areas will be tested. Two of these restaurants, called Beef Caboose, are scheduled to open during the year.

While the effects of gasoline, meat and other shortages were consequential in many sectors of the food service industry, their impact on the division was minimal.

Food Service Division

Highlights

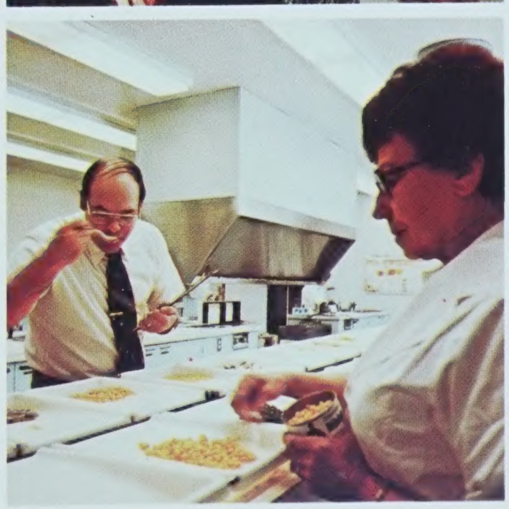
Sales of the Food Service Division increased 16 percent to $31.0 million. Contribution to earnings was $1.1 million; lower than a year ago due mainly to a serious shortage of meat, which accounts for approximately one-half the division's volume. A month-long work stoppage by truckers, heavy capital investments and industry price controls further restrained what had appeared earlier to be a very promising year.

Now that supply conditions are comparatively stable, price controls removed and production capacity adequate, management expects the division to return to the pace of sales and earnings growth achieved in previous years.

The division's frozen meat operation, Don's Prize Foods, opened its third facility in Miami, Fla., a new 50,000-square-foot plant that began operating in December 1973. The plant produces a new line of frozen preplated meals which are targeted primarily to the airline and health-care markets, although production can easily be modified for distribution to other institutional users.

Top: *Tom Sullivan (foreground), Training Manager at corporate offices in Le Sueur, Minn. Sullivan has trained more than 400 managers in the past two and a half years.*

Bottom: *Bill Wilson, Food Technologist, and Rose Meyer, Lab Technician, taste samples in the Company's quality assurance laboratory in Le Sueur.*



Below: *Michelle Thomas helps prepare popular Green Giant premiums for mailing from the Advertising Promotions Department in Le Sueur.*

Several new products were nationally introduced during the year, including frozen condensed soups, frozen spaghetti sauce and a frozen baked potato with special proprietary features designed for airline feeding.

Outlook

Bolstered by its enlarged production capacity, the Food Service Division fully anticipates resumption of its earlier dynamic growth.

"Surprisingly, vagaries in the general economy have exerted a positive force, from our standpoint, on the food service industry," says Arthur L. Young, President and General Manager. "The uncertainties have compelled operators to become more cost conscious than ever before, thereby motivating them to significantly increase their use of the consistently high quality convenience foods we provide."

Meat Operations Division

Highlights

Investments in production facilities and improvements in management helped the Meat Operations Division make a substantial recovery from its significant loss of a year ago.

Overall, the turn-around was accomplished despite several adverse conditions: the five-month freeze on meat prices; pressures created by a truckers' slowdown; a work stoppage at one unit; and continuing supply shortages.

During the year, Robert K. Knowlton was appointed Vice President-Meat Operations, in charge of all division business.

Schweigert

A prominent name in its marketing area for more than three decades, Schweigert asked its employees to deliver another year of record sales and earnings in spite of many inhibiting factors. "This is a family company," observes Knowlton, "so the organization is characterized by a firm sense of loyalty among the employees. The fact that things were tough last year means even more credit is due them. When we needed an extra effort, they responded."

Progress resulted from development of Schweigert's market share of brand processed meats and doubling of sales in the portion-control segment of the high-growth food service market. In particular, Schweigert successfully penetrated the high-volume chains, and now counts some of the major industry names among its customers.

Copeland

Strengthened management techniques have led to significant improvement at Copeland Sausage Company, where operations have been returned to profitability. Still the leading brand name among processed meats sold in Florida, Copeland has succeeded in gaining further market penetration through an aggressive cultivation of consumer awareness.

Bama

To capitalize on the acceptance and proximity of the Copeland name, new Southeastern markets are being developed by Bama under the Copeland label. Market testing has been under way for several months in the Atlanta area, chiefly in processed meats.

Daniel L. Hitchcock, previously Vice President for marketing and sales at Copeland, was appointed General Manager of Bama Meats.

INTERNATIONAL

Green Giant of Canada, Ltd.

Highlights

Green Giant of Canada employees achieved gains for the year in both sales and earnings in spite of under-budget crop returns in major categories and a fire loss at the Tecumseh, Ont., facility.

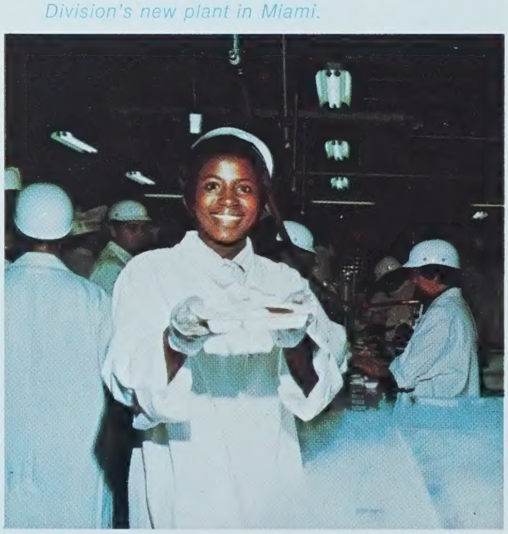
Facility expansions completed during the year included a cold storage addition at Tecumseh and enlargement of production capabilities at London, Ont., to incorporate processing of frozen corn on the cob.

"Several new products were introduced during the period, including mushrooms in glass, frozen French Green Beans with Mushrooms and frozen French Style Green Beans with Almonds. Line extensions were made in our popular pudding and gelatin product groups," says A. W. Anderson, President and General Manager of the division.

The container requirements of the division, following the destruction of our container facility last October, are being met through an agreement with Continental Can Company of Canada, Ltd. By following this course, we will meet our container needs while averting a lengthy reconstruction and retooling effort.

Below: *Neil Goor (left), Lead Computer Operator-Day Shift, and Dick Legg, Computer Operator, maintain Green Giant's new Honeywell Series 6000 60-60 computer that processes Company-wide payrolls, orders, shipping and inventory.*

Below: *Henrietta Jackson checks preplated meals before they enter fast-freezing unit at Food Service Division's new plant in Miami.*



Below: *Nancy Strand, waitress at Henrici's Steak and Lobster restaurant in Bloomington, Minn., a Minneapolis suburb: "When I greet customers, I want them to know that they are sincerely welcome at Henrici's."*

Below: [illegible] Director of Technical Serv[illegible]

Top right: [illegible] Stevens, seasonal employee, [illegible]

Below right: [illegible] Hennemann, Agricultural Re[illegible] Le Sueur.

Below: [illegible] plastic production [illegible]

International Division

Highlights

The International Division achieved record sales and profits and made important developmental progress in fiscal 1974. It achieved a record pack of mushrooms, over two million cases, in Taiwan and Korea.

The division, currently growing at the annual rate of 20 percent, has doubled net sales in five years. Building for targeted growth at a similar rate, the division last year completed two agreements to supply future expansion of European and Far East markets.

In Italy, a supply agreement was reached with Lusuco S.A. Industria Alimentare to enable better penetration of Continental European markets, where sweet corn is rapidly gaining consumer acceptance. This action also will reduce the dependency of the division on Green Giant of Canada as the principal source of supply to Great Britain, our major European customer, which now as a member of the Common Market must impose duty on shipments of vegetables from Canada.

In New Zealand, the division has arranged for the production of Green Giant products by J. Wattie Canneries, Ltd., for export to Australia and other Far East markets. Wattie is the largest producer of food products in New Zealand. This decision is in accordance with the strategy of providing technology with minimum capital exposure for obtaining products to meet market growth requirements.

"Wider-than-normal fluctuations among currency exchange rates contributed to unusual swings in profitability in several foreign markets," according to E. L. Hable, President and Managing Director of the division. "This situation required flexibility in pricing and firm cost control in order to reach profit goals."

Home and Garden Centers

Representing an early phase in the Company's long-range diversification program, the test market operations of the Home and Garden Centers were determined to no longer be consistent with Green Giant's long-term objectives and strategies. Accordingly, they were phased out in two transactions:

- Five centers were sold to Frank's Nursery Sales, Inc., of Detroit, for $1.1 million in cash and a warrant to purchase 40,000 shares of Frank's common stock.
- The remaining unit was sold to Minnesota Valley Landscape, Inc., of Bloomington, Minn.

Corporate Progress

This report thus far has focused on achievements in the operating divisions of the Company. It is obvious, however, that employees derive satisfaction also from progress made on the corporate front; for instance, from Green Giant's record as an employer and corporate citizen. Following is a brief summary of our activities in such areas during fiscal 1974.

Employment

In 1969, Green Giant announced its Affirmative Action program structured to provide equal opportunity in employment and aimed most directly at minority and female hiring and advancement. Each year since then, all divisions and subsidiaries, as well as corporate headquarters, have submitted to the Federal government a plan and timetable in which specific goals are to be reached. As audits by the Federal government have been made, these plans have been approved.

Top right: *John Klug, Waseca, Minn., grows 80 acres of sweet corn for Green Giant and custom picks other fields during harvest in August and September*

Opposite: *Carl A. Richter, Executive Chef-Food Service Division, a native of Budapest, Hungary, and resident of the U.S. since 1936*

Below: *William Buckland was promoted recently to assistant treasurer of the Company. He joined Green Giant of Canada, Ltd., six years ago as a financial assistant, became treasurer last year.*

Presented below is consolidated employment information for the Equal Employment Opportunity Commission as of May 31, 1974:

	Total Employees	Minorities as a % of Total	Females as a % of Total	Minority Females as a % of Total
Officials and Managers	646	5.3%	12.1%	.6%
Professionals	346	2.0%	7.3%	.6%
Technicians	156	4.5%	48.7%	3.2%
Sales Workers	106	1.9%	6.6%	0%
Office and Clerical	518	6.6%	88.0%	5.4%
Craftsmen	957	17.8%	8.2%	2.1%
Operatives	1197	28.2%	20.4%	5.7%
Laborers	1389	44.4%	54.9%	22.9%
Service Workers	1067	28.3%	75.1%	10.6%
Total	6382	22.9%	39.7%	8.8%

Environmental and Energy Controls

A decade ago, Green Giant increased substantially its capital outlay directed at effective regulation of the physical environment in which its facilities operate. We remain committed to this important responsibility.

During the year, your Company intensified its resolve to maintain close surveillance over energy utilization and conservation. To gain maximum opportunity for the success of our energy conservation effort, an officer of the Company was appointed to a newly created position, Corporate Energy Coordinator.

Consumer and Trade Relations

The conversion of all major brand packaging to include nutritional information and a Universal Product Code is nearly complete.

The addition of nutritional information on canned and frozen product labels is intended to help consumers achieve greater nutritional balance in their dietary planning.

Green Giant's initiative in converting to Universal Product Coding was widely recognized as a demonstration of leadership in the food industry. Use of the Code symbols has been shown to improve retail grocery operating efficiency, thereby helping to lower consumer food prices.

Significantly, the Super Market Institute selected Robert C. Cosgrove, Chairman of the Board and President of Green Giant, to receive the William H. Albers Trade Relations Award, the food distribution industry's highest honor.

Green Giant Foundation

While the range of charitable, educational and related activities supported by your Company is broad, the attention of the Green Giant Foundation during the year was directed to opportunities for rural development. While the compelling needs of America's cities are generally apparent, management—because of Green Giant's rural traditions and orientation—believes it can best contribute to social development by concentrating on the needs of rural communities. The Glencoe, Minn., community development audit reported last year was an important step in this direction. An annual report of the Foundation's activities is available upon request by writing the Green Giant Foundation, LeSueur, Minn. 56058.

Below: *O. G. Way (left), Director of Marketing and ... ternational Division, confers with E. H ... onsul at the British Gov-*

Below: *Edward Sypnieski, chef at Henrici's Steak and Lobster restaurant, Bloomington, Minn., has a degree in chemistry from the University of Minnesota and has been a chef for 22 years*

Below: *Jim Cahill, Product Marketing Manager, Grocery Products Division: "There's little doubt that Green Giant is one of the [illegible] food marketing [illegible] in the [illegible]."*

Financial Review

Continuing a record of annually increasing sales, volume for the year ended March 31, 1974 reached $383,644,000. Net earnings increased to $9,558,000 from the $7,695,000 reported a year ago. Earnings per common share were $2.74 in fiscal 1974 compared with $2.19 for the previous year. Net investment tax credits, accounted for as a tax reduction in the year the assets are acquired, amounted to $667,000 this year.

Dividends and Shareowners' Equity

Effective March 15, 1974, the quarterly dividend on common stock was increased to $.27 per share. Total dividend payments for common, preferred and preference stock totaled $4,037,000 for the year. Shareowners' equity increased to $96,327,000 from $90,376,000 last year. The percent return on average common stock equity at 11.8 percent continued the favorable trend of each of the last four years.

Dividend Policy

It is the policy of the Company to pay a reasonable proportion of earnings as dividends on a regular, consistent basis. We recognize shareowners' right to reasonable dividends and to a realistic market value for their stock. We recognize further, that as a portion of earnings are reinvested in the business, the shareowners are entitled to increased dividends because of such reinvestment. Dividend payments are made, of course, with constant diligence with respect to working capital and fixed asset requirements consistent with our growth and general stability.

Capital Expenditures

Capital expenditures served the two primary purposes of cost improvement and growth. In order to meet these objectives, expenditures this year totaled $13,199,000. In addition, leasing continues to be a part of the total capital program. Details of the leasing commitments are covered in Note 9 of the accompanying financial statements. Cash flow from funds provided by operations amounted to $18,054,000.

Working Capital and Inventories

Working capital at year-end amounted to $83,548,000, an increase of $7,353,000. A ratio of current assets to current liabilities of 2.8 to 1 was indicated at March 31. To meet the cash requirements of seasonal operations, domestic and Canadian short-term credit lines totaling $51,350,000 were established in July 1973. It is noteworthy that borrowings against each of these lines were retired in April 1974. Finished product inventories at March 31 amounted to $49,485,000.

Facilities and Operations

In October 1973, a fire destroyed facilities and can manufacturing equipment located in Tecumseh, Ontario, Canada, which were carried at a book value of $970,000. Finished-product inventories were also destroyed. A decision was reached not to replace the can manufacturing facility and equipment, and an agreement covering container requirements was completed with Continental Can Company of Canada, Ltd. Substantial cash payments have been received from insurers applicable to the loss suffered. Final reimbursement covering the loss is anticipated during fiscal 1975.

Changes in operations and intended disposition of facilities have caused a reevaluation of the future benefits of the unamortized excess of cost over equity incurred upon the acquisition of a Canadian subsidiary. In accordance with the Company's accounting policy, $1,727,000 of this has been expensed during this fiscal year.

Financing

The $4.5-million balance of a $10-million term loan originated in September 1972 was received in April 1973. Although total long-term debt increased accordingly to $52,951,000 at March 31, the relationship to capital employed decreased to 34 percent. Prime interest rates applicable to seasonal borrowings increased during most of the year and contributed, along with larger average loans, to an increase in total interest costs. This cost amounted to $6,322,000 this year compared with $4,625,000 a year earlier.

Summary of Accounting Policies

The accompanying consolidated financial statements include the results of operations and the accounts of the following:

- Green Giant Company
- All wholly-owned subsidiaries
- All majority-owned subsidiaries

The assets, liabilities and operations of foreign subsidiaries are translated to U.S. dollars based on current exchange rates prevailing during and at the end of the year, except that property, plant and equipment, related depreciation and long-term debt are translated at historical rates applicable to the year of acquisition. Gains or losses are included in current year results.

All material intercompany accounts and transactions are eliminated in consolidation.

Finished products (grocery products): These inventories are valued at the lower of cost (first-in, first-out) or market. Cost includes direct materials, direct labor and processing overhead and is reduced for earnings from sales of byproducts.

Finished products (meat operations): The major portion of these inventories is valued at market price less an allowance for selling and distribution expenses. The balance of these inventories is valued at the lower of cost or market.

Containers and supplies: The major portion of these inventories is valued at the lower of cost (first-in, first-out) or market.

The Company's policy is to amortize the excess of cost over equity based on an estimated twenty years of future benefit. When evidence exists which indicates there has been a decline in future benefits, the applicable excess cost is charged to earnings.

The following accounting methods are used to determine earnings:

A portion of the cost of buildings, machinery and equipment is charged against earnings each year as depreciation expense.

For financial reporting purposes, the straight-line method of depreciation is used. This method expenses equal amounts of depreciation against operations each year during the useful lives of the buildings, machinery and equipment.

For tax purposes, accelerated methods of depreciation are used. These methods expense more depreciation in the early years than in the later years of the useful lives of the buildings, machinery and equipment. Deferred income taxes are appropriately provided based on the resultant timing difference between financial and taxable income.

It is the present intention of the Company to reinvest substantially all the earnings of the Canadian subsidiary and accordingly, Federal income taxes are not provided on such undistributed earnings.

Investment tax credits are recorded as a reduction of income tax expense in the year the assets are acquired.

Costs of developing asparagus beds and of the right to production from asparagus beds are amortized over the expected productive lives.

Advertising costs and research and development costs are charged against earnings as incurred.

Costs of merchandising programs are estimated by experience factors and provided in the year of the related sales.

Expenditures for maintenance, repairs, renewals and betterments which do not add to the original value or materially extend the useful lives of the related assets are charged against earnings as incurred.

Primary net earnings per common share is determined by dividing (1) net earnings less dividend requirements on the Series A, B and D preference stock and preferred stock by (2) the average number of common shares and common stock equivalents (Series C preference stock and dilutive stock options) outstanding.

Net earnings per common share assuming full dilution is determined by dividing (1) net earnings plus interest expense on the convertible debentures less dividend requirements on preferred stock and the effect of profit sharing and income tax provisions by (2) the average number of common shares outstanding, plus the number of shares issuable upon conversion of convertible debentures and convertible preference stock to common stock, plus the number of shares issuable under outstanding stock options which would be dilutive in effect.

Consolidated Statements of Earnings

Green Giant Company and Subsidiaries

Years ended March 31, 1974 and 1973	1974	1973
Sales, net after returns and allowances	$383,644,100	341,807,999
Costs and expenses:		
Costs of goods sold	274,858,440	247,271,818
Marketing, distribution and general expense	84,026,291	75,011,243
Interest expense	6,321,540	4,625,129
Other (income) deductions, net (note 2)	(515,460)	(125,747)
Income taxes (note 5)	9,395,000	7,330,478
Total	374,085,811	334,112,921
Net earnings	$ 9,558,289	7,695,078
Earnings per share of common stock and common stock equivalents	$ 2.74	2.19
Earnings per share of common stock assuming full dilution	$ 2.40	1.97

See accompanying summary of accounting policies and notes to consolidated financial statements.

Accountants' Report

The Board of Directors and Stockholders
Green Giant Company:

We have examined the consolidated statements of financial position of Green Giant Company and subsidiaries as of March 31, 1974 and 1973 and the related consolidated statements of earnings, stockholders' equity and changes in financial position for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned consolidated financial statements present fairly the financial position of Green Giant Company and subsidiaries at March 31, 1974 and 1973 and the results of their operations and the changes in their financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Peat, Marwick, Mitchell & Co.

Minneapolis, Minnesota
May 13, 1974

Consolidated Statements of Financial Position

Green Giant Company and Subsidiaries

March 31, 1974 and 1973

	1974	1973
Current assets:		
Cash	$ 8,337,748	5,969,095
Receivables from customers and others, less allowance for doubtful accounts (note 2)	28,068,277	27,201,700
Inventories (note 2):		
Finished products	49,484,731	49,024,905
Containers and supplies	39,909,221	32,580,736
Prepaid expenses	4,834,252	5,562,437
Total current assets	130,634,229	120,338,873
Current liabilities:		
Notes payable (note 2)	14,611,000	17,605,000
Current maturities of long-term debt	2,710,888	2,296,970
Accounts payable	19,295,528	15,315,131
Accrued expenses	7,641,933	6,716,524
Income taxes	2,826,627	2,210,301
Total current liabilities	47,085,976	44,143,926
Working capital	83,548,253	76,194,947
Property, plant and equipment, at cost less accumulated depreciation (note 3)	68,661,823	64,729,774
Unamortized excess of cost over equity in subsidiary (note 2)	493,528	2,411,266
Deferred charges and other assets	3,262,575	3,735,660
	155,966,179	147,071,647
Deferred income taxes	6,423,632	5,642,514
Long-term debt, less current maturities (note 4)	52,951,079	50,845,239
Minority interest in subsidiary	264,027	207,756
	59,638,738	56,695,509
Excess of assets over liabilities	$ 96,327,441	90,376,138
Stockholders' equity (notes 4, 6 and 7):		
Convertible preference stock (involuntary liquidation value at March 31, 1974 $16,425,895)	$ 302,264	317.448
Preferred stock	2,405,900	2,405,900
Common stock	24,223,856	23,391,855
Additional paid-in capital	7,566,411	7,953,226
Retained earnings	61,829,010	56,307,709
Commitments (notes 3 and 9)		
	$ 96,327,441	90,376,138

See accompanying summary of accounting policies and notes to consolidated financial statements.

Consolidated Statements of Stockholders' Equity

Green Giant Company and Subsidiaries

Years ended March 31, 1974 and 1973

	Convertible preference stock of $1 par value per share	5% cumulative preferred stock of $100 par value per share	Common stock (without par or stated value)	Additional paid-in capital	Retained earnings
Balance at March 31, 1972	$104,000	2,417,400	21,960,524	371,222	52,527,630
Net earnings for the year	—	—	—	—	7,695,078
Dividends:					
Convertible preference stock	—	—	—	—	(815,321)
Preferred stock	—	—	—	—	(120,582)
Common stock — $1.00 per share	—	—	—	—	(2,979,096)
Shares issued under Employees' Stock Purchase Plan (36,813 shares)	—	—	604,653	—	—
Series D preference stock issued in acquisition of John R. Thompson Co.	236,099	—	—	8,381,514	—
Shares issued upon conversion of preference stock (31,708 common shares)	(22,651)	—	826,678	(804,110)	—
Shares purchased by the Company at a discount	—	(11,500)	—	4,600	—
Balance at March 31, 1973	317,448	2,405,900	23,391,855	7,953,226	56,307,709
Net earnings for the year	—	—	—	—	9,558,289
Dividends:					
Convertible preference stock	—	—	—	—	(814,856)
Preferred stock	—	—	—	—	(120,295)
Common stock — $1.02 per share	—	—	—	—	(3,101,837)
Shares issued under Employees' Stock Purchase Plan (26,299 shares)	—	—	430,482	—	—
Shares issued upon conversion of preference stock (30,746 common shares)	(15,184)	—	401,964	(386,815)	—
Shares purchased by the Company (20 common shares)	—	—	(445)	—	—
Balance at March 31, 1974	$302,264	2,405,900	24,223,856	7,566,411	61,829,010

See accompanying summary of accounting policies and notes to consolidated financial statements.

Consolidated Statements of Changes in Financial Position

Green Giant Company and Subsidiaries

Years ended March 31, 1974 and 1973

	1974	1973
Funds provided:		
Net earnings	$ 9,558,289	7,695,078
Add (deduct):		
Depreciation	7,352,995	7,269,630
Deferred income taxes	781,118	403,606
Amortization and 1974 write-down of excess of cost over equity in subsidiary (note 2)	1,917,738	190,362
Gain on involuntary conversion of plant and equipment	(1,942,511)	—
Sundry	386,720	147,837
Funds provided by operations	18,054,349	15,706,513
Fair value of preference stock issued in business acquisition (note 1)	—	8,617,613
Additions to long-term debt	4,910,310	7,334,708
Proceeds on disposal of property, plant and equipment, net of gain	943,411	2,103,071
Proceeds on involuntary conversion of plant and equipment	2,912,966	—
Capital stock issued to employees	430,482	604,653
Decrease (increase) in deferred charges and other, net	312,494	(271,954)
Total funds provided	27,564,012	34,094,604
Funds used:		
Dividends	4,036,988	3,914,999
Additions to property, plant and equipment	13,198,910	10,701,367
Noncurrent assets of business acquired, principally property, plant and equipment (note 1)	—	5,421,958
Reduction of long-term debt	2,804,470	2,291,342
Deferred costs of right to future production from asparagus beds	170,338	1,771,065
Total funds used	20,210,706	24,100,731
Increase in working capital	$ 7,353,306	9,993,873
Increase (decrease) in working capital:		
Cash	$ 2,368,653	1,185,368
Receivables	866,577	5,090,569
Inventories	7,788,311	8,673,727
Prepaid expenses	(728,185)	1,689,200
Notes payable	2,994,000	(1,027,880)
Current maturities of long-term debt	(413,918)	(591,955)
Accounts payable	(3,980,397)	(3,107,159)
Accrued expenses	(925,409)	(788,726)
Income taxes	(616,326)	(1,129,271)
Increase in working capital	$ 7,353,306	9,993,873

See accompanying summary of accounting policies and notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Green Giant Company and Subsidiaries

1 Acquisitions and Dispositions

On April 1, 1972, the Company acquired substantially all of the net assets of John R. Thompson Co. in exchange for 236,099 shares of the Company's Series D Convertible Preference Stock. This acquisition, the cost of which was approximately $8,800,000, has been accounted for by the purchase method of accounting and, therefore, the results of operations of John R. Thompson Co. are included with those of the Company commencing April 1, 1972.

During March 1974, the Company sold the operating assets and business of its home and garden centers for $1,296,000 in cash and a warrant (valued at $62,000) to purchase common stock. No material gain or loss has been realized on the sale. The accompanying consolidated financial statements have not been reclassified to show the operating results of the discontinued operations since the amounts involved are immaterial.

2 Canadian Subsidiary

In accordance with the usual practice under provisions of the Canadian Banking Act, approximately $8,024,000 of receivables and $10,685,000 of inventory of the Canadian subsidiary were pledged to secure short-term indebtedness to banks of $661,000 at March 31, 1974.

At March 31, 1974, the undistributed earnings of the Canadian subsidiary for which no U.S. income taxes have been provided by the Company amounted to approximately $14,761,000.

Net earnings for 1974 and 1973 include $54,630 and $173,479, respectively, representing unrealized exchange gains arising from translation of foreign currencies. The Canadian long-term debt would not be materially different if converted at the current exchange rate.

In October 1973, the Company's can manufacturing plant and related facilities at Tecumseh, Ontario, were substantially destroyed by fire and will not be rebuilt. Other changes in operations and intended disposition of plant facilities have required reevaluation of the excess cost incurred upon acquisition of a Canadian subsidiary and have resulted in a write-off of that portion of the excess of cost over equity in subsidiary which the Company estimates has no further value or future benefits. Related amounts included in other (income) deductions in the accompanying statement of earnings for the year ended March 31, 1974 are as follows:

Gain on involuntary conversion of plant and equipment (excess of insurance proceeds over net book value)	$ 1,942,511
Write-down of excess of cost over equity in the Canadian subsidiary	1,727,376
	$ 215,135

3 Property, Plant and Equipment

A summary of property, plant and equipment at March 31, is as follows:

	1974	1973
Land and land improvements	$ 4,940,474	5,001,626
Buildings	39,635,501	37,704,955
Machinery, equipment and fixtures	62,697,331	62,644,202
Construction-in-progress	5,291,249	3,256,887
	112,564,555	108,607,670
Less accumulated depreciation	43,902,732	43,877,896
	$ 68,661,823	64,729,774

Commitments for purchase or construction of property, plant and equipment aggregated approximately $11,000,000 at March 31, 1974.

4 Long-term Debt, Less Current Maturities

	1974	1973
4¼% convertible subordinated debentures, due August 1, 1992	$12,000,000	12,000,000
5% Series B notes, due $900,000 annually to 1981 and $3,100,000 on December 31, 1982	9,400,000	10,300,000
Revolving credit loans	9,800,000	9,800,000
7½% notes, due May 15, 1981	7,500,000	7,500,000
8⅛% notes, due $1,000,000 annually September 1, 1978 to 1987	10,000,000	5,500,000
Sundry notes and contracts with stated interest rates from 4¾% to 9½% due in varying installments to 1982	4,251,079	5,745,239
	$52,951,079	50,845,239

Aggregate annual maturities of long-term debt for each of the five fiscal years following March 31, 1974 are as follows: 1975, $2,710,888; 1976, $4,400,696; 1977, $3,824,051; 1978, $4,300,354 and 1979, $5,284,887.

The 4¼% subordinated debentures are convertible into shares of common stock at $42.10 per share (as adjusted on April 1, 1972 under anti-dilution provisions). On July 31, 1977, the Company is required to begin making annual sinking fund payments equal to 5% of the principal amount of debentures outstanding on July 31, 1976.

The agreement covering revolving credit loans was renegotiated and extended during 1973, with interest initially at ¼ of 1% per annum above prime rate and scheduled increases to 1% above prime rate on July 1, 1977 (10% at March 31, 1974). Amounts outstanding on June 30, 1975 will become due in eight equal semi-annual installments December 31, 1975 through June 30, 1979.

In addition to requiring maintenance of working capital, a 150% current asset ratio and other covenants, the long-term debt agreements contain provisions restricting the payment of cash dividends and the purchase or redemption by the Company of shares of its capital stock. At March 31, 1974, the amount of unrestricted retained earnings was approximately $11,800,000 and working capital exceeded the required minimum, as defined, by approximately $38,500,000.

5 Income Taxes

Income tax expense consists of the following:

	Current	Deferred	Total
1974:			
Federal	$5,662,248	568,594	6,230,842
Foreign	1,678,534	444,487	2,123,021
State	1,003,100	38,037	1,041,137
Total	$8,343,882	1,051,118	9,395,000
1973:			
Federal	$4,447,165	374,807	4,821,972
Foreign	1,588,940	47,111	1,636,051
State	810,488	61,967	872,455
Total	$6,846,593	483,885	7,330,478

Differences between the provision for income taxes and the normal Federal income tax are explained as follows:

	1974		1973	
	Amount	Rate	Amount	Rate
Normal Federal income tax	$9,097,579	48.0%	$7,212,267	48.0%
Foreign income subject to lower foreign income tax	(264,350)	(1.3)	(212,663)	(1.4)
Investment tax credits	(667,000)	(3.5)	(587,000)	(3.9)
Amortization and 1974 write-down of excess of cost over equity in subsidiary not deductible for tax purposes	920,514	4.9	91,374	.6
Canadian gain on involuntary conversion partially subject to capital gains rate and partially tax-free	(464,145)	(2.4)	—	—
State income taxes, net of Federal income tax benefit	521,612	2.7	421,454	2.8
Other	250,790	1.2	405,046	2.7
Provision for income taxes	$9,395,000	49.6%	$7,330,478	48.8%

Deferred income tax expense, resulting from timing differences between taxable income and pre-tax accounting income, is as follows:

	1974	1973
Accelerated depreciation in excess of straight-line depreciation	$ 872,527	662,476
Real estate lease cancellation	270,000	(270,000)
Other	(91,409)	91,409
Deferred income tax expense	$1,051,118	483,885

6 Stockholders' Equity

Authorized capital stock of the Company consists of 6,000,000 shares of common stock (without par or stated value), 50,000 shares of 5% cumulative preferred stock of $100 par value per share (callable at $110 per share) and 1,000,000 shares of preference stock of $1 par value per share. Common shares outstanding at March 31, 1974 and 1973 were 3,076,442 and 3,019,417, respectively.

Rights and preferences on the preference stock, which were established by the Board of Directors, are summarized as follows:

	Series A	Series B	Series C	Series D
Annual cumulative dividend per share	$ 4.75	4.75	3.84	1.76
Conversion ratio into common stock, which is also the involuntary liquidation value stated as a multiple of the common shares' liquidation value	3.5	3.5	4.0	1.4
Voluntary liquidation and redemption price per share	$103(a)	103(a)	112(b)	40(c)
Shares outstanding:				
March 31, 1974	32,000	28,100	39,500	202,664
March 31, 1973	32,000	32,000	40,000	213,448

(a) Currently redeemable by the Company at any time.

(b) Holders of these shares may require the Company to redeem the shares at $112 per share, in five equal annual installments, beginning in June 1977 and ending in June 1981. The Company may redeem these shares at $115 per share from June 1974 to June 1978, and at $112 per share thereafter.

(c) Redeemable by the Company at any time after April 1, 1975.

At March 31, 1974, the number of common shares reserved is as follows:

Conversion of preference stock	652,080
Conversion of 4¼% subordinated debentures	285,036
Stock options outstanding	66,600
Stock options available for future grants	44,100
Employee stock purchase plan options outstanding	47,637
Employee stock purchase plan options available for future grants	76,064
Total reserved	1,171,517

7 Stock Option and Stock Purchase Plans

Under terms of employee stock option plans, options are granted to officers and key employees at prices not less than 100% of fair market value at dates of grant and are exercisable over a maximum of five years. Options outstanding at March 31, 1974 have been granted at prices ranging from $21.00 to $27.38 per share and at dates of grant had an aggregate fair market value of $1,724,458 or an average of $25.89 per share. Changes in outstanding options during the two years ended March 31, 1974 are summarized as follows:

	Outstanding		Currently exercisable	
	Shares	Option price	Shares	Option price
Balance at March 31, 1972	71,400	$2,046,115	37,675	$1,170,624
Options granted or becoming exercisable:				
1973	14,200	365,606	14,250	380,262
1974	—	—	16,650	431,100
Options cancelled:				
1973	(15,900)	(563,263)	(12,875)	(489,344)
1974	(3,100)	(124,000)	(3,100)	(124,000)
Balance at March 31, 1974	66,600	$1,724,458	52,600	$1,368,642

Under terms of the Employees' Stock Purchase Plans, all regular employees of the Company and its subsidiaries are granted options to acquire the Company's common stock through a payroll deduction plan. The terms of the plans are five years, to be operated in one or more phases of one year each. Options are granted at 90% of the fair market value on the date the phase begins or on the date the phase terminates, whichever is lower. Of the options for 40,523 shares granted in 1972, options for 36,813 shares were exercised on November 30, 1972 at a price of $16.43 and the remaining options were cancelled. Of the options for 36,367 shares granted in 1973, options for 26,299 shares were exercised on November 30, 1973 at a price of $16.37 and the remaining options were cancelled. Options to purchase an additional 49,190 shares of the Company's common stock were granted on January 2, 1974 at a price of $18.00 per share and options to purchase 47,637 shares were outstanding at March 31, 1974.

8 Retirement and Pension Plans

Provisions under the Company's trusteed noncontributory profit sharing retirement plan were charged to earnings in the amounts of $1,728,958 and $1,371,363, respectively, for 1974 and 1973, including $652,783 and $514,860, respectively, representing elective portions paid in cash directly to employees.

The Company has two noncontributory pension plans covering substantially all full-time salaried and nonsalaried employees and officers of the Company and certain subsidiaries. The actuarially determined cost of the plans charged to earnings amounted to $1,239,459 and $1,108,456, respectively, for 1974 and 1973. There are no past service costs associated with these plans. The Company's policy is to fund accrued pension costs. The vested benefits are fully funded.

9 Leased Assets

The Company uses plant and restaurant facilities, warehouse, crop land, and plant and field equipment under leases which expire over the next 38 years. Some of these leases are "financing" leases which, during the noncancelable lease period, either cover 75% or more of the economic life of the properties, or have terms which assure the lessors full recovery of their investments at the inception of the leases plus a reasonable return on their investments. Total rental expense charged against earnings in the two years ended March 31, 1974 was as follows:

	1974	1973
Financing leases:		
Contingent rentals	$ 478,110	437,829
Minimum rentals	4,903,474	4,301,621
Sublease rentals	(342,581)	(324,861)
	5,039,003	4,414,589
Other leases:		
Contingent rentals	28,126	8,372
Minimum rentals	7,367,010	7,124,358
Total rental expense	$12,434,139	11,547,319

Approximate future minimum rental commitments (excluding property taxes, maintenance, insurance and amounts based on crop yields or usage) under all noncancelable leases as of March 31, 1974 are as follows:

	Type of property			Total	
	Land and land improvements	Buildings	Machinery, equipment and fixtures	Non-capitalized financing leases	Other leases
1975	$ 3,016,000	1,961,000	3,394,000	5,785,000	2,586,000
1976	2,275,000	2,017,000	2,626,000	5,245,000	1,673,000
1977	1,566,000	1,633,000	2,355,000	4,575,000	979,000
1978	1,214,000	1,329,000	1,993,000	3,891,000	645,000
1979	948,000	1,269,000	1,852,000	3,669,000	400,000
1980-84	3,369,000	5,415,000	5,183,000	13,043,000	924,000
1985-89	1,770,000	3,705,000	1,161,000	6,548,000	88,000
1990-94	563,000	1,226,000	72,000	1,861,000	—
Thereafter	450,000	674,000	4,000	1,128,000	—
	$15,171,000	19,229,000	18,640,000	45,745,000	7,295,000

The above rental commitments have been reduced by approximately $3,780,000 for noncancelable sublease rentals, all of which are applicable to noncapitalized financing leases.

A summary of the approximate present values of future commitments for all noncapitalized financing leases at March 31, 1974 and 1973 is as follows:

	Interest Rates Used			March 31	
	Range	Weighted average 1974	Weighted average 1973	1974	1973
Land and land improvements	4.0-12.0%	8.2%	8.3%	$ 4,108,000	3,872,000
Buildings	4.0-11.5	7.9	7.8	10,784,000	10,493,000
Machinery, equipment and fixtures	3.7-20.0	8.6	8.4	12,628,000	10,161,000
				27,520,000	24,526,000
Present value of rentals to be received from existing noncancelable subleases				(2,533,000)	(2,672,000)
Net present value				$24,987,000	21,854,000

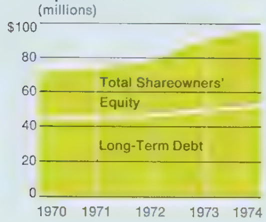
If all financing leases were capitalized, related lease rights were amortized on a straight-line basis and interest costs accrued on the basis of the outstanding lease liability, net earnings would not have been materially affected for the years ended March 31, 1974 and 1973.

Five-Year Summary

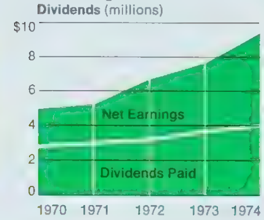
Green Giant Company and Subsidiaries

Year Ended March 31

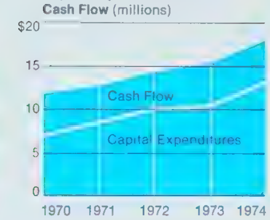
Capitalization (millions)



Net Earnings and Dividends (millions)



Capital Expenditures and Cash Flow (millions)



(Dollars in thousands, except per share figures)

	1974	1973	1972	1971	1970
Income and Dividends					
Net Sales	$ 383,644	$ 341,808	$ 275,143	$ 250,709	$ 239,911
Net Earnings	9,558	7,695	6,792	5,452	4,968
Preferred and Preference Dividends Paid	935	936	532	178	122
Common Dividends (A)	3,102	2,979	2,810	2,839	2,753
Earnings Reinvested	5,521	3,780	3,450	2,435	2,093
Per Share of Common Stock and Common Stock Equivalents:					
Net Earnings	2.74	2.19	2.01	1.67	1.51
Dividends Paid	1.02	1.00	.96	.96	.96
Percent Net Earnings on Sales	2.5	2.3	2.5	2.2	2.1
Percent Return on Average Common Stock Equity	11.8	9.7	9.5	7.9	7.4
Financial Position					
Working Capital	$ 83,548	$ 76,195	$ 66,201	$ 63,069	$ 62,396
Property, Plant and Equipment (Net)	68,662	64,730	58,003	54,704	52,597
Other Assets	3,756	6,147	4,400	4,792	5,057
Total Capital Employed	155,966	147,072	128,604	122,565	120,050
Less Long Term Debt	52,951	50,845	45,802	45,296	46,825
Less Other Liabilities	6,688	5,851	5,421	3,782	2,484
Total Stockholders' Equity	96,327	90,376	77,381	73,487	70,741
Common Stockholders' Equity Per Share	25.19	23.76	22.48	21.50	20.77
Other Statistics					
Ratio — Current Assets to Current Liabilities	2.8-1	2.7-1	2.8-1	2.9-1	2.9-1
Capital Expenditures	$ 13,199	$ 10,701	$ 10,166	$ 8,603	$ 7,615
Depreciation	7,353	7,270	6,042	5,829	5,482
Income Taxes	9,395	7,330	6,456	5,531	4,250
Average Number of Shares of Common Stock and Common Stock Equivalents Outstanding	3,201,205	3,148,753	3,174,457	2,912,408	2,902,486
Price Range — Common Stock (Calendar Year)	26⅞-17¼	30¼-22	28¼-17¾	29¾-17½	37⅝-25⅝
HISTORICAL INFORMATION					
The information presented below includes the historical results of Green Giant Company; no retroactive revision has been made for companies acquired and accounted for on a pooling-of-interests basis.					
Net Sales	$ 383,644	$ 341,808	$ 275,143	$ 241,391	$ 197,491
Net Earnings	9,558	7,695	6,792	5,188	4,279
Per Share of Common Stock and Common Stock Equivalents:					
Net Earnings	2.74	2.19	2.01	1.64	1.43

(A) Includes dividends paid by pooled company prior to acquisition.

Green Giant Company

BOARD OF DIRECTORS

CHARLES J. CLARK
Partner, McTague, Clark, Holland, Whiteside, Coughlin, Mailloux, Lawson & Skinner
Windsor, Ontario, Canada

ROBERT C. COSGROVE
Chairman of the Board and President

DOUGLAS J. DAYTON
Chairman
Dade, Inc.
Minneapolis, Minnesota

JAMES W. DAVANT
Chairman and Chief Executive Officer, Paine, Webber, Jackson & Curtis, Incorporated
New York, New York

A. DOUGLAS HANNAH
Corporate Consultant
Pittsburgh, Pennsylvania

PHILIP H. NASON
Chairman of the Board
First National Bank of
St. Paul, Minnesota

GERALDINE E. RHOADS
Vice President and Editor
Woman's Day Magazine
New York, New York

JEROME R. SEBASTIAN
President
Green Giant Restaurants, Inc.
Des Plaines, Illinois

C. J. TEMPAS
Vice Chairman of the Board

LLOYD C. VOLLING
*Vice Chairman of the Board, retired**

JAMES T. WYMAN
Chairman of the Exec. Committee
Super Valu Stores, Inc.
Hopkins, Minnesota

*Mr. Volling retired as Vice Chairman of the Board of the Company effective Dec. 31, 1973, at the mandatory retirement age of 65.

Robert C. Cosgrove, A. Douglas Hannah

Geraldine E. Rhoads, Lloyd C. Volling, Jerome R. Sebastian, Charles J. Clark

James T. Wyman, Douglas J. Dayton, Robert C. Cosgrove

Philip H. Nason, James W. Davant, C. J. Tempas

COMMITTEES OF THE BOARD OF DIRECTORS

Public Affairs Committee

Robert C. Cosgrove
Douglas J. Dayton
Geraldine E. Rhoads
Jerome R. Sebastian

Stock Option Committee

Charles J. Clark
Douglas J. Dayton
James T. Wyman

Audit Committee

James W. Davant
A. Douglas Hannah
Philip H. Nason

Finance Committee

Robert C. Cosgrove
James W. Davant
A. Douglas Hannah
Philip H. Nason
C. J. Tempas

Personnel Committee

Charles J. Clark
Robert C. Cosgrove
Douglas G. Dayton
C. J. Tempas
Lloyd C. Volling
James T. Wyman

OFFICERS

ROBERT C. COSGROVE
Chairman of the Board and President

C. J. TEMPAS
*Vice Chairman of the Board**

JAMES W. ALGEO
Vice President

LEONARD A. BARZAN
Vice President and Treasurer

WAYNE N. BOHLKE
Vice President

JOHN M. DAY
Vice President

LEON J. FROST
Vice President and Controller

AUSTIN J. HAYDEN
Senior Vice President

PAUL O. JOHNSON
Vice President, General Counsel and Assistant Secretary

JOHN G. MARTLAND
Vice President

W. HOLLIS MERRICK
Vice President

NEIL R. MOREM
Senior Vice President and Secretary

WILFRED F. NEUMANN
Vice President

LYLE H. POLSFUSS
Vice President

IVAN D. SCHLAEFER
Vice President

WILLIAM H. BUCKLAND
Assistant Treasurer

*Mr. Tempas resigned as President of the Company effective March 31, 1974.

DIVISION OFFICERS

Grocery Products USA

Lyle H. Polsfuss
President and General Manager

William C. Dietrich, *Vice President*

James A. Gunderson
Vice President

V. Duane Lovestrand
Vice President

Don A. Osell, *Vice President*

William A. Williams, *Vice President*

Meats

Robert K. Knowlton,
Vice President

Bama Meats

Daniel L. Hitchcock
General Manager

Copeland Sausage Co., Inc.

John V. Riley
President and General Manager

J. Franklin Copeland
Vice President

Rober J. Hicks, *Vice President*

Schweigert Meat Company

Raymond C. Schweigert
President and General Manager

Gerald Ness, *Vice President*

Christian R. Von Kronemann
Vice President

Restaurants

Jerome R. Sebastian, *President*

James F. Moore
Executive Vice President

Frank Griwach, *Vice President*

Fred A. Drachler, *Vice President*

Food Service

Arthur L. Young
President and General Manager

International

Edward L. Hable
President and Managing Director

Green Giant of Canada, Ltd.

A. W. Anderson, *President*

Winston B. Eagan, *Vice President*

Cecil A. Farrow, *Vice President*

VOLUME 2, NUMBER 2

Green Giant Company, Le Sueur, Minnesota 56058

GREEN GIANT COMPANY

Facts and Figures

October 1974

INTRODUCTION

"Green Giant - Facts and Figures" is a supplement to our annual report. It is prepared for members of the financial community, business/financial news media and others who may be interested in broadening their knowledge of Green Giant business.

For further information or additional copies please contact:

Director of Public Relations
Green Giant Company
Le Sueur, Minnesota 56058
(612) 665-3515

October, 1974

GREEN GIANT COMPANY

A Delaware Corporation

Green Giant Company is a processor and marketer of food products, including canned and frozen vegetables and frozen and processed meats. It also operates restaurants and other food service establishments.

CAPITALIZATION: Common Stock, No Par Value

	Authorized:	6,000,000 Shares
	Outstanding on July 19, 1974	3,080,199 Shares
Preference Stock, $1 Par Value		
	Authorized:	1,000,000 Shares
	Outstanding on July 19, 1974	199,980 Shares
Preferred Stock, $100 Par Value		
	Authorized:	50,000 Shares
	Outstanding on July 19, 1974	24,059 Shares

STOCK LISTING: New York Stock Exchange

Symbol: GG

EXECUTIVE OFFICES: Northwestern Financial Center
7900 Xerxes Avenue South
Bloomington, Minnesota 55431

and

Le Sueur, Minnesota 56058

C O N T E N T S

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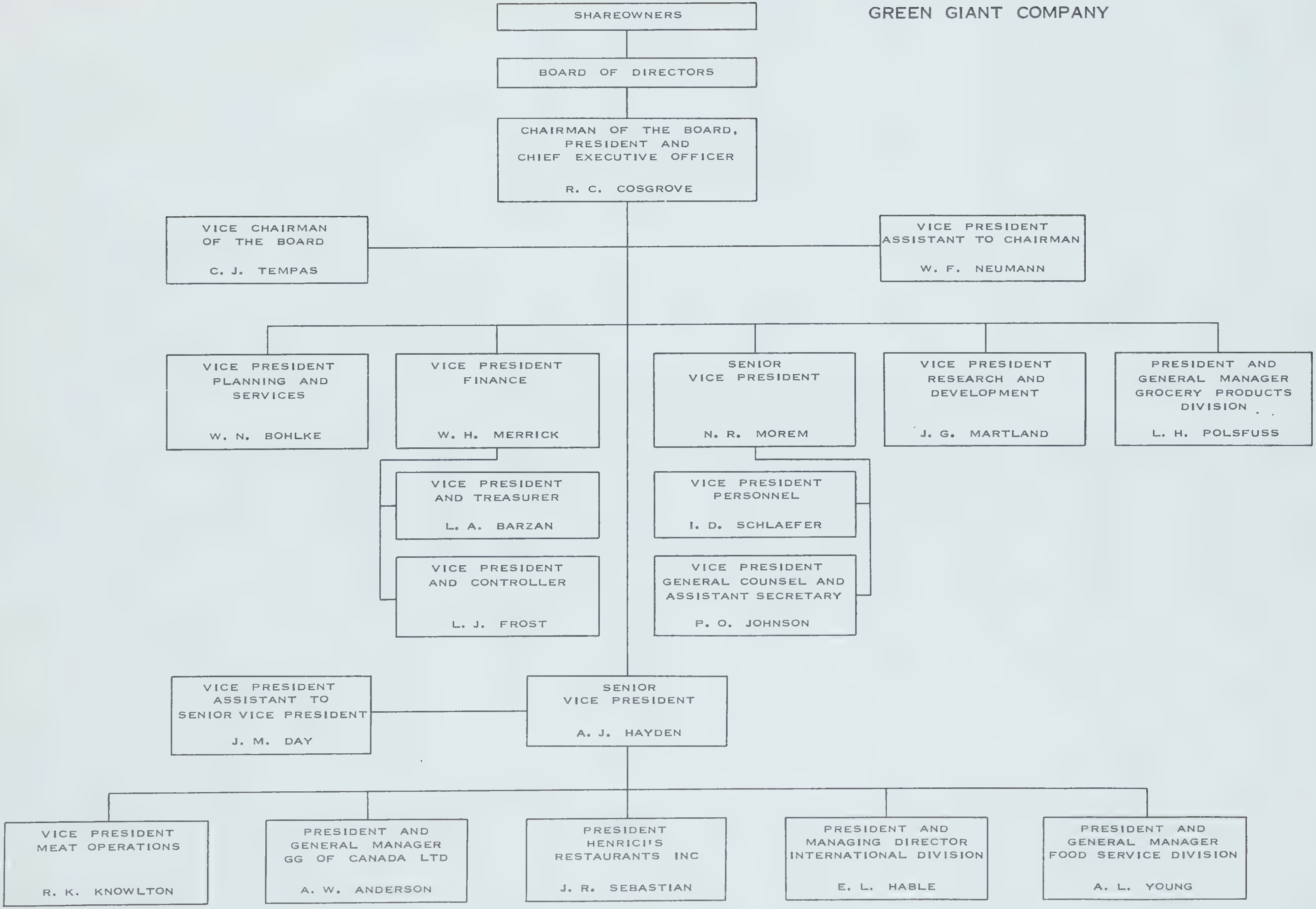
HISTORY

Green Giant Company is one of the best-known quality food processors and marketers in the nation. From its beginning in Minnesota in 1903, Green Giant has grown into a publicly owned corporation with current annual sales of approximately $384 million. "The Valley of the Jolly Green Giant" originated in the fertile farmlands surrounding Le Sueur, Minnesota. Now Green Giant operates over 225,000 acres of growing land, as well as 36 processing, packaging and distribution plants in 15 states and Canada. The Company also oversees supply operations in Europe, the Far East and Latin America.

Green Giant Company is in the business of feeding people; at home, in restaurants and in other away-from-home locations. The Company achieves continued growth from increasing market share of traditional products, line extensions and synergistic acquisitions. New ventures are based on opportunities to maximize Green Giant's processing and marketing assets. The Company's diversification activities began in 1969 and have included entry into restaurants and other institutional feeding markets and meat processing.

The objectives of the Company are 1) to feed people with high quality products offering distinctive value and consistency, and 2) to maintain a superior annual growth rate which will provide a satisfactory return on equity.

GREEN GIANT COMPANY



DIRECTORS

	Year Elected	Principal Occupation	Shares of Stock Beneficially Owned As of May 17, 1974
Robert C. Cosgrove	1948	Chairman of the Board of Company	70,318
Charles J. Clark	1968	Partner, McTague, Clark, Holland, Whiteside, Coughlin, Mailloux, Lawson & Skinner	500
James W. Davant	1967	Chairman of the Board and Chief Executive Officer, Paine, Webber, Jackson & Curtis, Inc., New York	100
Douglas J. Dayton	1968	Chairman of the Board, Dade, Inc.	200
A. Douglas Hannah	1964	Executive Vice President, The Hillman Company	200
Philip H. Nason	1967	Chairman of the Board, The First National Bank of Saint Paul	200
Geraldine E. Rhoads	1972	Vice President and Editor Woman's Day Magazine	200
Jerome R. Sebastian	1971	President, Henrici's Restaurants, Inc. (A wholly-owned subsidiary of Company)	6,158 (Series D Preference Stock)
C. J. Tempas	1964	Vice Chairman of the Board of Company	14,951
James T. Wyman	1966	Chairman of the Executive Committee Super Valu Stores, Inc.	150

OFFICERS

Robert C. Cosgrove, Chairman of the Board, President and Chief Executive Officer.

Elected president and chief executive officer in 1964; chairman in 1969. Joined Company in 1946 and subsequently served as head of industrial engineering, personnel, public relations, marketing and corporate planning. Was elected to board of directors in 1948.

Leonard A. Barzan, Vice President and Treasurer.

Before election by the board to present position in 1973, was Vice President and Controller of Green Giant Restaurants, Inc.

Wayne H. Bohlke, Vice President, Planning and Services.

Elected vice president in 1971. Earlier he was director - information services, a position he assumed upon joining company in 1968.

John M. Day, Vice President, Assistant to the Senior Vice President.

Previous to election as a corporate officer in 1973, held various positions relating to marketing, new ventures and acquisitions.

Leon J. Frost, Vice President and Controller.

Elected to this position in 1971. Has been with Company since 1946. Served as director - costs and budgets; director - estimating, planning and control, before being elected controller in 1968.

Austin J. Hayden, Senior Vice President.

Joined Green Giant in 1949 and became director of production in 1963. Was elected vice president in 1966 and senior vice president in 1970.

Paul O. Johnson, Vice President, General Counsel and Assistant Secretary.

Joined company in 1962. Was elected assistant secretary in 1966, assistant general counsel 1968 and general counsel in 1971. Elected vice president and general counsel in 1973.

John G. Martland, Vice President, Research and Development.

Joined company in 1939. Advanced through various managerial positions in production and research. Named director - agricultural research and seed production, in 1954. Elected vice president in 1967.

W. Hollis Merrick, Vice President, Finance.

Elected vice president in 1962. Associated with Company since 1936. Became assistant treasurer in 1954 before his election as treasurer in 1960.

Neil R. Morem, Senior Vice President.

Has been with Green Giant since 1953. Was elected assistant secretary in 1955, secretary in 1963 and vice president in 1968. Elected senior vice president in 1973.

Wilfred F. Neumann, Vice President, Assistant to the Chairman.

Elected to this position in 1968. Associated with Green Giant since 1948. Named director of corporate planning in 1960.

Lyle H. Polsfuss, Vice President of Company and President and General Manager, Grocery Products Division.

Elected vice president in 1966 and appointed head of Grocery Products Division in 1971. Joined Company in 1941. Named director of marketing in 1963.

Ivan D. Schlaefer, Vice President, Personnel.

Elected vice president in 1971. Director - industrial relations, since 1969. Has been with Green Giant since 1952.

William H. Buckland, Assistant Treasurer.

Elected to present position in 1974. Also serves as Treasurer of Green Giant of Canada Limited. Joined Green Giant of Canada in 1968.

DIVISION MANAGERS

Lyle H. Polsfuss, President and General Manager, Grocery Products.
(See under Officers)

Arthur L. Young, President and General Manager, Food Service Division

Joined Company in 1971 in corporate development, food service. Named to present position in 1973. Formerly in charge of marketing for two divisions of Armour and Company, preceded by 15 years with J. Walter Thompson.

Robert K. Knowlton, Vice President, Meat Operations.

Formerly with Schweigert Meat Co. Named to present position in 1973.

A. W. Anderson, President and General Manager, Green Giant of Canada Limited.

Joined Green Giant in 1946 and held various management positions until 1960, when he became director of profit planning. Assumed present position in 1964.

Edward L. Hable, President and Managing Director, International Division.

Became director of international operations in 1968; appointed to present position in 1971. From 1960-67 served as director of mushroom operations for Green Giant. Prior to that, worked for 15 years in various executive capacities with Michigan Mushroom Company.

Jerome R. Sebastian, President, Henrici's Restaurants, Inc.

Assumed present position in 1972. Had been with J. R. Thompson Company in executive positions since 1957. Elected to Green Giant Board in July, 1971.

GREEN GIANT COMPANY - INDUSTRY TRENDS

GROCERY PRODUCTS

Canned: This segment of Green Giant's business generated sales of approximately $138 million for the year ended March 31, 1974, or about one-third of corporate volume.

- Total industry sales of canned vegetables reached $1.9 billion in 1973, while total sales of the four largest sellers canned by Green Giant (corn, peas, beans and asparagus) increased over 20 percent during the past decade.

- Per capita consumption of these same four vegetables increased significantly during the period 1966-1972. For example, consumption of canned corn and peas increased 16 percent; snap beans, 28 percent.

Frozen: Sales of Green Giant retail frozen foods totaled about $72 million for the year ended March 31, 1974. Total industry sales of retail frozen foods are estimated at $4.4 billion and are expected to more than double by 1980.

- Total industry sales of retail frozen vegetables currently amount to approximately $659 million per year. Although Green Giant markets specialty meat entrees under the Holloway House label, the bulk of the Company's frozen sales are in specialty vegetable categories.

- Per capita consumption of retail frozen corn has increased 71 percent between 1962 and 1972, and the consumption of frozen beans has risen 32 percent. The consumption of frozen peas and asparagus has declined in the same period.

FOOD SERVICE

Sales of Green Giant's Food Service Division were $31 million for the year ended March 31, 1974. The total food service market at retail is currently estimated at $48 billion, growing at a rate of 8 percent annually.

- Green Giant has a well-established position in the food service industry with canned vegetables, its frozen Fixed 'n Fancy vegetables, Holloway House entrees and Don's Prize meats.

PROCESSED MEATS

Sales from Green Giant's processed meat operations were $69 million for the year ended March 31, 1974. Processed meats are a large and diverse product category with a highly fractionated market split between a handful of national packers and hundreds of regional and local brands. Total industry sales are about $4 billion.

- Green Giant's retail meat operations now concentrate on development of existing and new high-value-added processed and frozen meat items.

INTERNATIONAL

Sales of Green Giant's international operations were $48 million for the year ended March 31, 1974. Although accurate worldwide market data are not available, the following information is pertinent to Green Giant's international operations.

Canada: Total Canadian food and beverage sales are $12 billion in 1973 and growing at the rate of 6 percent a year. The canned and frozen vegetable and fruit share of the total market was $834 million and growing at 5 percent. Green Giant's sales were approximately $34 million for the year ended March 31, 1974. Green Giant processes and markets canned vegetables, pork and beans, meat stews, soups and meat spreads. Frozen vegetables account for an increasing share of Green Giant's volume in Canada.

Europe, Latin America, Far East: Green Giant develops other foreign markets for its canned and frozen vegetable products by establishing local sources of supply capable of meeting Green Giant quality standards. The Company currently has supply capabilities in New Zealand, Latin America and Italy. Its principal foreign market, aside from Canada, is the United Kingdom.

RESTAURANTS

Restaurant volume was $23 million for the year ended March 31, 1974, with total industry sales estimated at over $30 billion.

Within this market, larger restaurants with operations of over $100,000 or more annually accounted for over 70% of total volume, according to the U.S. Commerce Department. Also, chain operations of 11 units or more are capturing an increasingly greater share of the market.

- Restaurant operations now consist of Henrici's restaurants and coffee shops; limited-menu Henrici's Steak & Lobster restaurants; Tiffin Inns; Holloway House and Ontra cafeterias; and Beef Caboose restaurants.

CAPITALIZATION

- Common Shares, No Par Value	6,000,000 Shares
Outstanding as of July 19, 1974	3,080,199 Shares
- Preference Shares, $1 Par Value	1,000,000 Shares
Outstanding as of July 19, 1974	199,980 Shares
- Preferred Stock, $100 Par Value	50,000 Shares
Outstanding as of July 19, 1974	24,059 Shares

The Company's original equity shares were first issued in 1903, when it was originally incorporated as the Minnesota Valley Canning Company. In 1950, it changed its name to Green Giant Company and on August 1, 1966, listed its common shares for trading on the New York Stock Exchange.

The authorized shares of common and preference stock were increased to their present levels by shareowner action in 1971.

Authorized but unissued shares are available for issue, without further shareowner approval, for such corporate purposes as may be deemed advisable by the Board of Directors.

Long term debt at March 31, 1974, amounted to $52,951,000 and consisted of 4 1/4% convertible subordinated debentures, due 1992; 5% Series B notes due in annual installments through 1982; revolving credit loans due through June 30, 1979; 7 1/2% notes due May 15, 1981; 8 1/8% notes due annually from 1978 through 1987; 10 3/8% notes due 1986; and sundry notes and contracts with stated interest rates from 4 3/4% to 9 1/2% due in varying installments through 1982.

Stock option plans have been in force since 1951. As of March 31, 1974, qualified options covering 66,600 shares were outstanding. On July 19, 1974, a new stock option plan, under which 150,000 shares are authorized for issuance, was approved by shareowners. Under the new plan, non-qualified stock options, together with stock appreciation rights and qualified stock options, may be granted. No options or appreciation rights may be granted under the plan after July 18, 1979.

The Company also provides a stock purchase plan for all full-time employees whereby the employees are given the opportunity to purchase shares of common stock. Under this plan, 119,208 shares of common stock are available for employee purchase.

SALES AND MARKETING

Green Giant grocery products are sold through a sales force comprising 63 brokers and three direct sales offices.

These brokers operate in 20 districts under the direction of district sales managers, who report to one of six regional directors.

Complementing this broker activity are the three direct sales offices, each headed by a branch manager, who also reports to a regional director.

Approximately 90 percent of grocery sales are through brokers with the remaining 10 percent originating through the three direct sales offices.

Copeland Sausage Co., Inc., which markets throughout Florida and in other southeastern states, employs its own sales force.

Schweigert Meat Co. uses commissioned sales representatives for marketing its products in Minnesota, Wisconsin, North and South Dakota and northern Iowa.

Canadian customers are served directly through the sales staff of Green Giant of Canada Limited.

In addition to these North American offices, Green Giant has marketing offices in the United Kingdom, Latin America, Japan and Australia, which supervise overseas sales and distribution.

The Food Service Division markets products nationwide. Sales are handled by food service brokers.

GROCERY PRODUCTS DIVISION

REGIONAL SALES OFFICES

Montvale, New Jersey	Dallas, Texas
Minneapolis, Minnesota	Atlanta, Georgia
San Mateo, California	Rocky River, Ohio

DIRECT SALES OFFICES

Detroit, Michigan	Cleveland, Ohio
Atlanta, Georgia	

DISTRIBUTION

Green Giant canned products for the retail grocery and food service trades are distributed from six major centers located throughout the nation: Parkesburg, Pennsylvania (East Coast); Tucker, Georgia (Southeast); Denton, Texas (Southwest); Belvidere, Illinois (Eastern Midwest); Glencoe, Minnesota (remaining Midwest) and Buhl, Idaho (West Coast).

All Grocery Product Division frozen products are distributed from Company facilities at Belvidere, Illinois; Watsonville, California; and Vineland, New Jersey; and from public warehouse facilities in Bonner Springs, Kansas; and Lubbock, Texas.

At these points, all products are assembled and prepared for shipment to the trade. Canned goods, without labels, are directed to the canned distribution centers in pallet loads. Increased automation of labeling and packaging at these centers, instead of at production plants, is more practical and economical.

These distribution centers were established to keep pace with the needs dictated by changing inventory and distribution procedures throughout the grocery trade. Shipments can be made anywhere within two days of receipt of order.

Schweigert Meat Co. and Copeland Sausage Co., Inc., employ their own fleets of refrigerated trucks to control shipments to customers. Don's Prize Foods ships its products nationwide by leased trucks and common carrier.

RESEARCH AND DEVELOPMENT

Green Giant traditionally has invested heavily in research and development. These funds are used not only to develop new products, but also to improve agricultural and processing practices, including environmental protection.

Product researchers continually explore new product ideas and new uses for existing products. All research projects are objectively designed to obtain answers for production and marketing needs, ranging throughout the spectrum of products marketed by Green Giant and its subsidiaries.

A major goal of product research is to find new and better methods of processing to assure the consumer of the most appealing and nutritious products. A complete pilot processing plant at Le Sueur, Minnesota, is used to aid in this search.

Packaging research explores new methods and technologies of packaging which not only protect the product but also add to the convenience of preparation. Examples are the "boil-in-the-bag" packaging perfected by Green Giant when it entered the frozen food business in 1961; shrink film packaging and Universal Product coding, which both offer convenience and economy.

Other examples of Green Giant research and development leadership include the application of freon freezing to the processing of frozen corn-on-the-cob products and the successful introduction of a high-quality, early variety corn seed which fosters a more continuous packing operation.

Green Giant also continues to seek ways to achieve greater productivity in its food processing operations, particularly through increased mechanization of product handling.

Agricultural research is aimed at formulating seeds which offer greater resistance to the effects of drought, heat, disease and other problems.

DIVIDENDS

Green Giant has paid quarterly dividends on its common shares since 1940. Common dividends in fiscal 1974 totaled $1.02 per share. The current quarterly dividend is 27 cents per share of common stock.

DIVIDEND DATA

YEAR ENDED MARCH 31	CASH DIVIDENDS	COMMON PER SHARE	SERIES A CONVERTIBLE PREFERENCE PER SHARE	SERIES B CONVERTIBLE PREFERENCE PER SHARE	SERIES C CONVERTIBLE PREFERENCE PER SHARE
1974	$4,037,000	$1.02	$4.75	$4.75	$3.84
1973	3,915,000	1.00	4.75	4.75	3.84
1972	3,342,000	.96	4.75	4.75	2.67
1971	3,017,000	.96	1.60	0.157	--
1970	2,875,000	.96	--	--	--

YEAR ENDED MARCH 31	SERIES D CONVERTIBLE PREFERENCE PER SHARE	PREFERRED PER SHARE	NET EARNINGS	PERCENT OF EARNINGS PAID AS DIVIDENDS
1974	$1.76	$5.00	$9,558,000	42%
1973	1.76	5.00	7,695,000	51%
1972	--	5.00	6,792,000*	49%
1971	--	5.00	5,452,000	55%
1970	--	5.00	4,968,000	58%

* Includes extraordinary item of $337,000.

ANNUAL MEETING

The annual meeting of shareowners is held on the third Friday in July.

SHAREOWNERS

As of August 29, 1974, there were 9,054 holders of common shares, 865 holders of preference shares, and 944 holders of preferred shares of the Company. No shareowner owned as much as 10 percent of the 3,083,359 common shares then outstanding. As of August 29, 1974, American Home Products Corporation owned 289,800 shares of Green Giant common.

STOCK MARKET DATA

YEAR ENDED MARCH 31	PRICE		CASH YIELD %		PRICE/EARNINGS RATIO	
	HIGH	LOW	HIGH	LOW	HIGH	LOW
1974	25 3/4	17 1/4	9.4%	6.3%	9	6
1973	28	22	3.6	4.5	13	10
1972	30 1/4	17 3/4	3.2	5.4	15	9
1971	28 1/4	17 1/2	3.4	5.5	17	11
1970	37 5/8	25	2.6	3.8	26	17

EMPLOYEES

As of March 31, 1974, Green Giant Company had 6,300 full-time employees. In addition, the company employs 33,000 part-time employees during periods of peak activity.

PAYROLL COMPARISON

YEAR ENDED MARCH 31	WAGES AND SALARIES
1974	$81,055,000
1973	73,111,000
1972	59,180,000
1971	52,742,000
1970	50,400,000

COMPARATIVE FIVE-YEAR FINANCIAL STATISTICS

(amounts in thousands except per share figures)

YEAR ENDED MARCH 31:	1974	1973	1972	1971	1970
CURRENT ASSETS	$130,634	$120,339	$103,700	$95,482	$95,331
CURRENT LIABILITIES	47,086	44,144	37,499	32,413	32,935
WORKING CAPITAL	83,548	76,195	66,201	63,069	62,396
CURRENT RATIO	2.8-1	2.7-1	2.8-1	2.9-1	2.9-1
NET PLANT & EQUIPMENT	68,662	64,730	58,003	54,704	52,597
LONG TERM DEBT	52,951	50,845	45,802	45,296	46,825
DEFERRED INCOME TAXES	6,424	5,643	5,239	3,619	2,330
COMMON SHAREOWNERS' EQUITY PER SHARE	$25.19	$23.76	$22.48	$21.50	$20.77

COMPARATIVE INCOME STATEMENT ITEMS

(amounts in thousands of dollars except per share items)

YEAR ENDED MARCH 31:	1974	1973	1972	1971	1970
NET SALES	$383,644	$341,808	$275,143	$250,709	$239,911
COSTS & EXPENSES	364,691	326,783	262,232	239,726	230,693
INCOME TAXES	9,395	7,330	6,456	5,531	4,250
EARNINGS BEFORE EXTRAORDINARY ITEM	9,558	7,695	6,455	5,452	4,968
EXTRAORDINARY ITEM	--	--	337	--	--
EARNINGS PER SHARE BEFORE EXTRAORDINARY ITEM	$2.74	$2.19	$1.90	$1.67	$1.51
EXTRAORDINARY ITEM PER SHARE	--	--	.11	--	--
NET EARNINGS PER SHARE	2.74	2.19	2.01	1.67	1.51
RETAINED EARNINGS AT END OF YEAR	61,829	56,308	52,528	49,035	46,599
CASH DIVIDENDS PAID	4,037	3,915	3,342	3,017	2,875

PLANT REINVESTMENT
(dollar amounts in thousands)

YEAR ENDED MARCH 31	CAPITAL EXPENDITURES	DEPRECIATION CHARGES	% OF PROPERTY DEPRECIATED
1974	$13,199	$7,353	39.0%
1973	10,701	7,270	40.4
1972	10,166	6,042	41.5
1971	8,603	5,829	41.9
1970	7,615	5,482	42.4

PLANTS AND PRODUCTS

The Grocery Products Division has 31 processing, distributing and can manufacturing facilities in the United States and five in Canada. In addition, the meat processing subsidiaries and the Food Service Division have facilities at Minneapolis, Minnesota; and Alachua and Miami, Florida.

GROCERY PRODUCTS DIVISION

Watsonville, California

frozen vegetables
frozen packaging center

Woodside, Delaware

canned vegetables

Tucker, Georgia

distribution center

Buhl, Idaho

canned vegetables
can manufacturing
distribution center

Belvidere, Illinois

canned and frozen vegetables and rice
frozen packaging center
distribution center

Lafayette, Indiana

frozen entrees

Fruitland, Maryland

canned vegetables

Niles, Michigan

canned and frozen mushrooms

Blue Earth, Minnesota

canned vegetables

Cokato, Minnesota

canned vegetables

Glencoe, Minnesota

canned and frozen vegetables
distribution center

Le Sueur, Minnesota

canned vegetables

Montgomery, Minnesota

canned vegetables

St. James, Minnesota

frozen entrees

Savage, Minnesota

can manufacturing

Winsted, Minnesota

canned vegetables

Vineland, New Jersey

frozen casseroles
frozen packaging and distribution center

Parkesburg, Pennsylvania

distribution center

Denton, Texas

distribution center

Dayton, Washington

canned vegetables

Waitsburg, Washington

canned and frozen vegetables

Beaver Dam, Wisconsin

canned and frozen vegetables
frozen casseroles

Fox Lake, Wisconsin

canned vegetables

Ripon, Wisconsin

canned vegetables
can manufacturing

Rosendale, Wisconsin

canned vegetables

GREEN GIANT OF CANADA LIMITED

London, Ontario

canned vegetables
canned puddings

Tecumseh, Ontario

canned and frozen vegetables

Ste. Martine, Quebec

canned vegetables

St. Remi, Quebec

canned stews, meats, pork and beans and puddings

MEAT DIVISION

Minneapolis, Minnesota - Schweigert Meat Co.

processed meats

Alachua, Florida - Copeland Sausage Co., Inc.

processed meats

FOOD SERVICE DIVISION

Miami, Florida - Don's Prize Foods

frozen precooked meats and meat products; frozen preplated meals

PER SHARE EQUIVALENTS

YEAR ENDED MARCH 31	NET SALES	NET INCOME	WAGES AND SALARIES	DEPRECIATION	WORKING CAPITAL	CAPITAL EMPLOYED	COMMON SHAREOWNERS' EQUITY
1974	$109.98	$2.74	$23.24	$2.11	$23.95	$44.71	$25.19
1973	97.28	2.19	20.81	2.07	21.68	41.86	23.76
1972	81.42	2.01	17.51	1.79	19.59	38.06	22.48
1971	76.79	1.67	16.16	1.79	19.32	37.54	21.50
1970	72.92	1.51	15.32	1.67	18.97	36.49	20.77

BREAKDOWN OF SALES DOLLAR

(In Thousands of Dollars)

YEAR ENDED MARCH 31	NET SALES	MATERIALS AND OTHER COSTS	WAGES AND SALARIES	DEPRECIATION	INCOME TAXES	NET EARNINGS RETAINED	CASH DIVIDENDS
1974	$383,644	$276,283 72.0%	$81,055 21.1%	$7,353 1.9%	$9,395 2.5%	$5,521 1.4%	$4,037 1.1%
1973	341,808	246,402 72.1%	73,111 21.4%	7,270 2.1%	7,330 2.2%	3,780 1.1%	3,915 1.1%
1972	275,143	196,673 71.5%	59,180 21.5%	6,042 2.2%	6,456 2.3%	3,450 1.3%	3,342 1.2%
1971	250,709	181,155 72.3%	52,742 21.0%	5,829 2.3%	5,531 2.2%	2,435 1.0%	3,017 1.2%
1970	239,911	174,811 72.8%	50,400 21.0%	5,482 2.3%	4,250 1.8%	2,093 .9%	2,875 1.2%

STATISTICAL RATIOS

YEAR ENDED MARCH 31	CURRENT ASSETS TO CURRENT LIABILITIES	NET SALES TO CAPITAL EMPLOYED	NET SALES TO NET PLANT	PERCENT INVENTORY TO CURRENT ASSETS	PERCENT NET INCOME TO NET SALES	PERCENT CURRENT ASSETS TO SHAREOWNERS' EQUITY	PERCENT RETURN ON AVERAGE COMMON STOCK EQUITY	INVENTORY TURNOVER
1974	2.8	2.5	5.6	68.4%	2.5%	135.6%	11.8%	4.3
1973	2.7	2.3	5.3	67.8	2.3	133.2	9.7	4.2
1972	2.8	2.1	4.7	70.3	2.5	134.0	9.5	3.8
1971	2.9	2.0	4.6	68.3	2.2	129.9	7.9	3.8
1970	2.9	2.0	4.6	69.2	2.1	134.8	7.4	3.6